

Message Text

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TO AMEMBASSY BONN

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E.O. 11652: N/A

TAGS: ETRD, JA, GW

SUBJECT: USITC INVESTIGATION OF JAPANESE COLOR TV
RECEIVERS

REF: (A) BONN 18394 (B) STATE 241913

1. PLEASE ASSURE FRG ECONOMINISTRY OFFICIALS THAT THE
USITC HAS NOT REPEAT NOT, AS REPORTED REFTEL (A),
INITIATED A PROCEEDING AGAINST IMPORTS OF GERMAN COLOR
TELEVISION SETS UNDER SECTION 201 OF THE TRADE ACT OF 1974
ON THE BASIS OF INFORMATION WHICH FRG OFFICIALS AND
REPRESENTATIVES OF GERMAN TV INDUSTRY VOLUNTARILY AND
UNOFFICIALLY GAVE TO USITC REPRESENTATIVES. THE INVESTIGA-
TION WAS INSTITUTED AT THE JOINT REQUEST OF ELEVEN US
LABOR ORGANIZATIONS AND FIVE COMPANIES. THEY ALLEGE THAT
TELEVISION RECEIVERS, COLOR AND MONOCHROME, ASSEMBLED OR
NOT ASSEMBLED, FINISHED OR NOT FINISHED, AND SUBASSEMBLIES
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THEREOF, PROVIDED FOR IN ITEM 685.20 OF THE TARIFF

SCHEDULES OF THE UNITED STATES ARE BEING IMPORTED IN SUCH INCREASED QUANTITIES AS TO BE A SUBSTANTIAL CAUSE OF SERIOUS INJURY OR THREAT THEREOF TO THE DOMESTIC INDUSTRY PRODUCING ARTICLES LIKE OR DIRECTLY COMPETITIVE WITH THE IMPORTED ARTICLES. THE PROCEEDING IS ONE OF A SERIES OF LEGAL ACTIONS INITIATED BY THE INDUSTRY TO DEAL WITH IMPORT COMPETITION.

2. MISSION SHOULD POINT OUT TO FRG OFFICIALS THAT THE PETITION WAS IN PREPARATION AND SUBMITTED TO THE USITC LONG BEFORE THE COMMISSION REPRESENTATIVES VISITED BONN AND RETURNED TO THE UNITED STATES FROM EUROPE. MOREOVER, ABSENT ANY LEGAL DEFECT, THE USITC HAS NO CHOICE BUT TO INVESTIGATE WHEN REQUESTED TO DO SO BY AN ELIGIBLE DOMESTIC PETITIONER. SUBSECTION 201 (B)(1) OF THE TRADE ACT PROVIDES THAT UPON THE FILING OF A PETITION BY AN ENTITY, INCLUDING A TRADE ASSOCIATION, FIRM, CERTIFIED OR RECOGNIZED UNION, OR GROUP OF WORKERS, WHICH IS REPRESENTATIVE OF AN INDUSTRY, "THE COMMISSION SHALL PROMPTLY MAKE AN INVESTIGATION TO DETERMINE WHETHER AN ARTICLE IS BEING IMPORTED INTO THE UNITED STATES IN SUCH INCREASED QUANTITIES AS TO BE A SUBSTANTIAL CAUSE OF SERIOUS INJURY OR THREAT THEREOF TO THE DOMESTIC INDUSTRY".

3. AS MISSION IS AWARE, THE INSTITUTION OF THE INVESTIGATION BY THE USITC DOES NOT AUTOMATICALLY IMPLY THAT THE USG IS CONTEMPLATING MEASURES THAT MIGHT ADVERSELY AFFECT SHIPMENTS FROM SUPPLYING COUNTRIES. A FINDING OF SERIOUS INJURY OR THREAT THEREOF MUST BE MADE BY THE USITC BEFORE A RECOMMENDATION REGARDING THE IMPOSITION OF IMPORT RELIEF MEASURES MAY BE MADE UNDER THE TRADE ACT. IF THE USITC FINDS INCREASED IMPORTS OF THE ARTICLES OF INTEREST ARE NOT CAUSING OR THREATENING SERIOUS INJURY, THE CONDITIONS IMPOSED BY SECTION 201 FOR PROVIDING IMPORT RELIEF WOULD NOT HAVE BEEN SATISFIED AND THE PRESENT CUSTOMS TREATMENT APPLYING TO TELEVISION SETS AND PARTS WOULD NOT BE MODIFIED. ON THE OTHER HAND, IF THE COMMISSION MAKES AN AFFIRMATIVE DETERMINATION THE PRESIDENT MAY INCREASE EXISTING TARIFFS, IMPOSE QUOTAS OR LIMITED OFFICIAL USE

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NEGOTIATE ORDERLY MARKETING AGREEMENTS WITH EXPORTING COUNTRIES TO REMEDY THE SITUATION.

4. IN MAKING ITS OVERALL ASSESSMENT IN SECTION 201 PROCEEDINGS THE USITC CONSIDERS THE EFFECT OF AGGREGATE IMPORTS OF AN ARTICLE FROM ALL SUPPLYING COUNTRIES PURSUANT TO SPECIFIC GUIDELINES LAID DOWN IN THE TRADE ACT AND ITS DETERMINATION IS NOT DIRECTED AGAINST SHIP-

MENTS FROM ANY SPECIFIC REGION OR PARTICULAR EXPORTING COUNTRY. IN 1975 TOTAL UNITED STATES IMPORTS OF TELEVISION SETS AND PARTS FROM ALL COUNTRIES WERE VALUED AT \$786 MILLION; JAPAN (\$287 MILLION), TAIWAN (\$220 MILLION) AND MEXICO (\$217 MILLION) WERE THE PRINCIPAL SUPPLYING COUNTRIES.

5. WE HOPE THE FOREGOING EXPLANATION WILL DISPEL ANY MISUNDERSTANDING AND THAT FRG OFFICIALS AND REPRESENTATIVES OF THE WATCH FIRMS WILL FURNISH THE DESIRED INFORMATION ON THE GERMAN WATCH INDUSTRY.

6. FYI -- THE USITC RECENTLY DISCUSSED THE DETAILS OF THE SECTION 201 PROCEEDING ON TELEVISION RECEIVERS IN DETAIL WITH COUNSELOR ROMBACH OF THE FRG WASHINGTON EMBASSY AND PRESUMABLY HE WAS THE ONE WHO ADVISED THE ECONOMIC MINISTRY OFFICIALS IN BONN THAT THE USITC WAS

INITIATING "NEW LEGAL PROCEEDINGS" AGAINST THE GERMAN INDUSTRY END FYI. KISSINGER

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